

Message Text

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ACTION AF-18

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INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

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TAGS: PINT, EGEN, EMIN, CG

SUBJECT: MOBUTU ANNOUNCES NEW ECONOMIC MEASURES

1. FOLLOWING ARE HIGHLIGHTS OF PRESIDENT MOBUTU'S NOV. 30 MAJOR ECONOMIC SPEECH TO THE NATIONAL LEGISLATIVE COUNCIL. SPEECH TO MASS RALLY LATER IN THE DAY WILL BE REPORTED SEPARATELY. THIS A PRELIMINARY SUMMARY BASED ON EMBASSY MONITORING OF LIVE BROADCAST. IT IS SUBJECT TO REVISION WHEN WRITTEN VERSION AVAILABLE (PROBABLY DECEMBER 1).

A. IN MINING, ANY CONCESSION GIVEN TO AN INVESTOR MUST INVOLVE 50 PERCENT EQUITY PARTICIPATION FOR GOZ. IT NOT ENTIRELY CLEAR WHETHER THIS APPLIES ONLY TO FUTURE CONCESSIONS OR ALSO APPLIES TO CONCESSIONS SUCH AS SMTF, GULF.

B. ZAIRIANIZATION OF ENTERPRISES IS TO BE PUSHED. IN 1975, ALL COMPANIES WHICH WILL HAVE BEEN IN ZAIRE FOR 5 YEARS MUST HAVE ZAIRIANS IN TOP MANAGEMENT. NEW
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COMMISSION MADE UP OF UNTZA (TRADE UNION), ANEZA, (EMP.

FED.), DEPTS. OF LABOR AND NATIONAL ECONOMY AND
PRESIDENCY REPLACES NATIONAL EMPLOYMENT SERVICE AS BODY
TO DECIDE ON EMPLOYMENT OF FOREIGNERS IN ENTERPRISES.

C. FROM TODAY, PLANTATIONS, RANCHES, FARMS, QUARRIES
WILL BE EXPLOITED (OWNED) BY ZAIRIANS. THOSE DEVELOPED
WITH FUNDS FROM "CREDIT COLONAT" BELONG AUTOMATICALLY
TO ZAIRIANS, OTHERS DEVELOPED BY FOREIGN PERSONS OR
ORGANIZATIONS WILL RECEIVE FAIR INDEMNITY WITHIN 6
YEARS. ABANDONED HOUSES AND PLANTATIONS ARE HENCEFORTH
STATE PROPERTY. (IT UNCERTAIN WHETHER THIS APPLIES TO
UNILEVER AND ENTERPRISE MOBUTU SPECIFICALLY PRAISED.

D. ALL COPPER MUST BE REFINED IN ZAIRE BY 1980.
SYSTEM TO BE DEVELOPED TO CONTROL DESTINATION OF COPPER.
BELGIAN DIRECTOR OF GECAMINES REPLACED BY ZAIRIAN
CITIZEN. HENCEFORTH, ALL AFFILIATES OF UNIONMINIERE
BECOME 100 PERCENT ZAIRIAN AS IS GECAMINES AT PRESENT. COM-
PANIES NAMED INCLUDE MIBA (DIAMONDS), FORESCOM (RUBBER -
REAL ESTATE), BECEKA (MANGANESE).

E. TIMBER EXPLOITATION TO BE CLOSELY CONTROLLED.
EXPORT OF LOGS IS FORBIDDEN EXCEPT UNDER SPECIAL PER-
MISSIVN GIVEN ONLY TO ZAIRIANS.

F. RAPID, PROGRESSIVE ZAIRIANIZATION OF INTERNAL
AND FOREIGN TRADE TO TAKE PLACE. COMPANIE MARITIME DU
ZAIRE, 50 PERCENT ZAIRIAN OWNED, REPLACED BY NEW 100 PERCENT
ZAIRIAN OWNED COMPANIE MARITIME ZAIROISE. AGENCE MARITIME
ENTIRELY CONTROLLED BY NEW CMZ WILL BE SET UP. NEW CMZ
WILL HAVE MONOPOLY ON EXPORTS BY SEA FROM ZAIRE BUT CAN
CEDE SURPLUS BUSINESS TO FROEIGN SHIPPERS ON OWN CON-
DITIONS. CMZ TO HANDLE ALL IMPORTS FOR GOZ AND OFFICERS
THEREOF NOT COMING UNDER TIED AID UMBRELLA.

G. WHOLLY ZAIRIAN OWNED INSURANCE COMPANY SONAS
HENCEFORTH TO INSURE ALL EXPORTS. FIRE INSURANCE,
REAL ESTATE, INSURANCE CONNECTED WITH CONSTRUCTION
STATE OWNED BUILDINGS TO BELONG TO SONAS. SONAS ALSO
TO SET UP CAR INSPECTION SERVICE AND ALL CARS TO BE
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INSPECTED.

H. OFFICE NATIONAL DU LOGEMENT TO BE REPLACED XY
NEW ENTERPRISE NATIONALE DE CONSTRUCTION (ENC). ALL
STATE SPONSORED CONSTRUCTION TO BE HANDLED BY THIS NEW
ORGANIZATION.

I. ECONOMIC SABOTAGE. ZAIRIAN PRODUCTS BEING SUMUGGLED OUT OF

COUNTRY BY FOREIGNERS. DECISION TAKEN TO FORBID PAKISTANIS FROM RESIDING IN KIVU, HAUT ZAIRE, AND SHABA. PORTUGUESE FORBIDDEN TO RESIDE IN REGIONS OF BAS ZAIRE, BANDUNDU, KASAI OCCIDENTALE AND SHABA. UNDER CONTROL AND ARBITRATION THEY MUST IMMEDIATELY CEDE THEIR PROPERTY IN THOSE REGIONS TO ZAIRIANS.

2. THRUST OF SPEECH WAS THAT ZAIRE FINALLY CLEARING AWAY UNDERBRUSH OF VESTIGES OF COLONIALISM. WHILE DECISIONS ANNOUNCED UNLIKELY TO GO DOWN WELL IN BELGIUM, MOBUTU WOUND UP BY DESCRIBING CURRENT STATE OF RELATIONS WITH BELGIUM AS "EXCELLENT". HE PRAISED THOSE BELGIANS WHO HAS ADJUSTED TO BUSINESS CONDITIONS IN MODERN ZAIRE, AND HE INVITED BELGIANS TO TAKE ADVANTAGE OF OPPORTUNITIES CREATED BY NEW ECONOMIC STEPS.

3. IN TERMS OF OTHER FOREIGN INVESTORS, PRESIDENT SAID THAT "AS LONG AS I AM BOSS IN ZAIRE, ALL WHO HAVE INVESTED SINCE 1969 WILL BE SATISFIED AND PROUD OF HAVING HAD CONFIDENCE IN ME BECUUSE OF MY RESPECT FOR MY WORD. HE CLOSED SPEECH BY NOTING THAT NEW U.S. AND JAPANESE INVESTORS ADMIRABLE BECUASE THEY ARE DYNAMIC, STRAIGHT-FORWARD IN BUSINESS AND WORK FAST.
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